

## **Assembly Bill No. 1964**

### **CHAPTER 71**

An act to amend Sections 24045.4 and 24045.6 of, and to add Section 25607.5 to, the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 8, 2008. Filed with Secretary  
of State July 8, 2008.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1964, Evans. Alcoholic beverages: nonprofit corporations.

The Alcoholic Beverage Control Act authorizes the issuance of a special temporary on-sale and off-sale license to a nonprofit corporation, as specified, in accordance with, among other things, a requirement that this license shall be issued only once in a calendar year.

This bill would provide that a special temporary on-sale and off-sale license shall be issued only 3 times in a calendar year.

The Alcoholic Beverage Control Act regulates the possession, distribution, and sale of alcoholic beverages within this state and prohibits the possession of alcoholic beverages for sale unless a person and premises have been issued a specified license authorizing the possession of the alcoholic beverages for sale.

This bill would authorize a nonprofit corporation that has not been issued a license authorizing the possession and sale of alcoholic beverages, to have upon their premises wine donated to the nonprofit corporation, to be sold at a later event, if the nonprofit corporation has submitted a specified license application with the Department of Alcoholic Beverage Control.

The Alcoholic Beverage Control Act provides that a violation of specified provisions of the act is a misdemeanor.

This bill, by including provisions that would be subject to those existing criminal sanctions, would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

**SECTION 1.** Section 24045.4 of the Business and Professions Code is amended to read:

24045.4. (a) The department may issue a special temporary off-sale general license to any nonprofit corporation which is exempt from payment of income taxes under the provisions of Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code of 1954 of the United States. An applicant for this license shall accompany the application with a fee of one hundred dollars (\$100).

(b) This license shall only entitle the licensee to sell at auction alcoholic beverages donated to it. Notwithstanding any other provision of this division, a licensee may donate alcoholic beverages to a corporation licensed under this section, provided that donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding 30 days. Only three licenses authorized by this section shall be issued to any corporation in a calendar year.

SEC. 2. Section 24045.6 of the Business and Professions Code is amended to read:

24045.6. (a) The department may issue a special temporary on-sale or off-sale wine license to any nonprofit corporation that is exempt from payment of income taxes under Section 23701d or 23701e of the Revenue and Taxation Code and Section 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1986. An applicant for this license shall accompany the application with a fee of one hundred dollars (\$100).

(b) This special license shall only entitle the licensee to sell wine bought by, or donated to, the licensee to a consumer and to any person holding a license authorizing the sale of wine. Notwithstanding any other provision of this division, a licensee may donate or sell wine to a nonprofit corporation that obtains a special temporary on-sale or off-sale license under this section, provided the donation is not made in connection with a sale of an alcoholic beverage.

(c) This special license shall be for a period not exceeding 15 days. In the event the license under this section is issued for a period exceeding two days, it shall be used solely for retail sales in conjunction with an identifiable fundraising event sponsored or conducted by the licensee and all bottles of wine sold under this license shall bear a label prominently identifying the event. Only three special licenses authorized by this section shall be issued to any corporation in a calendar year.

SEC. 3. Section 25607.5 is added to the Business and Professions Code, to read:

25607.5. A nonprofit corporation that is required to obtain a license to sell wine under Section 23300 may receive and possess wine donated to it if, at the time of receipt of the wine, the nonprofit corporation has submitted an application with the department for a license to sell the donated wine. Nothing in this section is intended to affect or otherwise limit the application of Section 25503.9.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because

this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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